



### Developing generations of people

Learning is a fundamental aspect of our overall corporate culture, essential to maintaining employee and customer satisfaction.

This interactive workshop, which engages employees in a team-building activity using a “magic carpet” mat, teaches the key skills required to be an effective supervisor/manager. It’s one of dozens of training and development opportunities that employees can access at TD, allowing them to grow in their roles and achieve their long-term career ambitions.

# Involved with *our employees*

**Our vision is to be the better bank – that also means being the better place to work. We're proud of our 55,000 employees worldwide and strive to make them proud of working at TD.**

For 150 years, we've relied on highly talented and devoted people to make us successful. They are the engine that drives our business – keeping it running smoothly and accelerating into the future – which is why we set our sights on being a best-in-class employer. A caring and involved organization that doesn't pay lip service to employee satisfaction but "rolls up its sleeves" and takes real action to create a superior employee experience.

It's about being proactive in building a fair and inclusive culture where all of our people have the right incentives, rewards and opportunities. It's also about working hard to understand the day-to-day pressures employees face, both personally and professionally, and the things we can do to support, stimulate and satisfy them.

## 2005 Highlights

- **Named one of Canada's most admired corporate cultures by Waterstone Human Capital Ltd. and *Canadian Business* magazine.**
- **Employee engagement score rose to 4.08 in fall 2005 from 4.03 in spring 2005 (scale is 1 to 5).**
- **Approximately \$61 million invested in employee learning and development.**
- **Continued focus on diversity strategy and building a more inclusive, supportive environment for all employees.**



## Our Workplace Culture

At TD, we believe that corporate culture is a strategic asset and employees are fundamental to our competitive advantage. Making TD a great place to work, therefore, is our unwavering pledge. We work hard to foster and sustain a unique TD culture – people-focused and performance-

### *Did you know?*

The number of employees who voluntarily leave TD is below average for our industry. Voluntary and involuntary employee turnover rates were 6.6% and 3.0% respectively in 2005.

driven, within an open, accommodating and caring environment – that is conducive to engaging our employees. The tone is set from the top and reflected in both our Guiding Principles and our Leadership Profile (see page 5).

### Global Employment (2005)

	# of employees
Canada*	43,639
Outside Canada**	11,356
<b>Total worldwide</b>	<b>54,995</b>

Figures as at October 31, 2005, with exception noted below.

\* For breakdown of Canadian employees by province and full-time/part-time status, see page 15.

\*\* Comprises 7,752 TD Banknorth employees in the U.S. (as at September 30, 2005) and 3,604 TD Securities and TD Waterhouse employees based primarily in the U.S., the U.K. and Asia Pacific.



TD Wealth Management's Gerry O'Mahoney and Irene Urshon hand out green-coloured crossword challenges at a team celebration during Employee Appreciation Week.

## Ensuring Competitive Benefits & Pay

To attract and reward topnotch talent, we offer competitive salaries, performance-based incentives and flexible benefits as part of the total value of TD's offering to employees. Compensation is administered fairly to all our people, without discrimination on any basis, including sexual orientation and gender, and aligned with TD's business strategy so there is a clear connection between pay and performance.

Program	Description
<b>TD Benefits Plan</b>	Employees receive certain core benefits (e.g., life insurance, medical coverage) and can purchase additional benefits, which are partly subsidized by TD. The plan is very flexible, allowing employees to customize their coverage to meet their individual and family needs.
<b>TD Pension Plan</b>	Employees can build their retirement savings, funded by contributions from TD and members. As in many pension plans, in recent years there were funding shortfalls due to adverse market conditions. In 2002 and 2003, TD made additional contributions of \$237.6 million, much more than was required by legislation, to ensure the plan continued to be well funded. At October 31, 2004, the most recent actuarial valuation, plan assets exceeded liabilities by \$139.4 million. Additional contributions were also made to TD's other Canadian pension plan (closed for future membership) for the same reason.
<b>Employee Savings Plan (ESP)</b>	Employees can share in our long-term success by purchasing TD Bank shares. We match 50% of all contributions to a set maximum. Employees can contribute from 1% up to 6% of their salary. Approximately 75% of eligible employees participated in the ESP in 2005, up 7.5% from 2004 (in Canada). As of October 31, 2005, employees hold roughly 5.9 million shares in this program.
<b>Employee Financial Services</b>	Employees can purchase products like loans and credit cards at discounted rates.

All benefits are available to both full-time and part-time employees, management and non-management. There is a short probationary period (three months of continuous service) for employees first joining the organization before benefits take effect.

Each year we scan the broader marketplace to ensure our remuneration is competitive with similar positions within our industry and geographic communities.

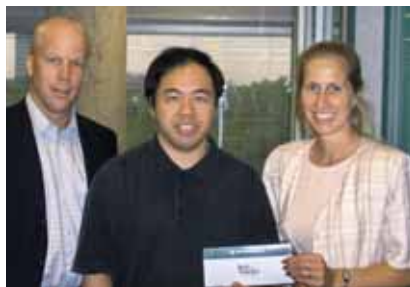
<b>Compensation</b> (in millions of dollars)	
	<b>2005</b>
Salaries	2,544
Incentive compensation	1,139
Pension and other employee benefits	535
<b>Total</b>	<b>4,218</b>

## Recognizing Employees

All of our businesses have employee recognition programs to commend individuals and teams for a job well done. We also have a Service Recognition Program, which salutes employees for years of service with the company.

In 2005 we introduced additional recognition programs:

- **Act for Impact Award:** To celebrate outstanding day-to-day contributions, People Managers in certain business areas can give a customized “thank you” card and a \$25 gift certificate when they “spot” someone demonstrating one of TD’s Guiding Principles.
- **Principles in Practice Award:** This quarterly award recognizes employees in certain business areas who consistently exemplify at least three Guiding Principles. Ten per cent of our employees are recognized through this award program, which includes a personalized certificate of recognition and a \$100 gift certificate.



At our Eastern Indirect Mortgage Adjudication Centre, Derek Jones and Joanne Nosworthy present Jim Noma (centre) with an Act for Impact Award for being customer-driven and enhancing the TD Canada Trust brand.

- **Vision in Action Award:** This annual award recognizes the “best of the best” and is for our top 55 performers across TD who exhibit all of our six Guiding Principles. Recipients are invited to attend our Annual General Meeting, enjoy the weekend in the host city and receive \$1,000 in spending money and a \$500 donation to a charity of their choice.

## Building Diversity

At TD, diversity means creating a workplace where everyone can do his or her best work, unhindered by barriers based on cultural or ethnic background, gender, age, physical disabilities, family status or sexual orientation. It means respecting each other as articulated in our Guiding Principles. It’s about attracting and keeping the best talent and the most diverse and creative thinkers.

While we’ve been building a heterogeneous, inclusive workplace for some time, our “scorecard” is mixed. There’s much we still need to do to improve. For instance, our representation of women (68.1%) is above the relative external labour pool (57.3%), but we need to widen leadership opportunities for them, since only 23% of senior management positions and 18% of Board of Directors positions are held by women.

We’ve made diversity a business priority at TD (discussed on page 5) and are executing a multi-year diversity strategy with commitments and action plans involving employees, customers and other stakeholders. Here are some of the employee-focused initiatives:

### Building leadership accountability

- To support our Diversity Leadership Council (see page 5) in 2005 we filled a new position, Vice President of Diversity Programs, and realigned our existing Diversity team under it.
- Accountability for diversity training has been built into objectives for all executives and HR practitioners.





Members of TD's Enterprise Technology Solutions Project Management Office hit the streets for a team-building scavenger hunt last fall with 14 teams racing to solve TD history clues.



As our new Vice President of Diversity Programs, Gérard Étienne (centre) is spearheading initiatives to ensure diversity is embedded in how we operate. Here he exchanges ideas with colleagues Lindsay Murray (left) and Charles Creppy in Human Resources.

- A Human Resources Diversity Council was created two years ago to bring together HR reps from across our businesses to focus on employee diversity activities.

#### **Increasing employee awareness**

- By the end of 2005, all executives and HR practitioners and many People Managers had received diversity training, which will remain an ongoing requirement.
- Diversity information was provided on the company's new diversity intranet site, in management training programs and in orientation material.
- In 2005, we provided resources to our People Managers for interviewing and accommodating persons with disabilities in the workplace.

#### **Developing infrastructure and accessibility**

- Eliminating workplace barriers is an ongoing focus. We enhanced our Workplace Accommodation Policy (WAP) in 2004, in part by creating a fund of \$1 million for tools and facilities that employees with disabilities need to feel comfortable doing their jobs. To date, more

than \$500,000 has been used to provide workstation modifications, assistive technologies and other specialized equipment. The WAP also covers accommodation on the grounds of family status, religion or ergonomic issues not related to a diagnosed disability.

- Currently we have systems in place to track diversity numbers, including an Employment Equity Survey database used for annual reporting to Human Resources and Skills Development Canada. In 2005, enhanced measurement of diversity progress was implemented through monthly reporting.

#### **Seeking employee feedback**

- We're asking employees to provide input on how to build a more inclusive workplace, as well as to evaluate our diversity initiatives for customers. For this purpose, a new Employee Council will commence work in 2006.
- In 2005, a new question on diversity was added to our annual TD Pulse internal survey that solicits employee feedback on whether "TD treats employees fairly regardless of their age, family/marital status, gender, disability, race/colour, religion or sexual orientation."

#### **Leveraging community partnerships**

- TD created a recruitment task force to enhance partnerships with external groups to ensure that our candidate pool includes representation from all designated groups. Our new online tool, e-Recruit, invites external applicants to voluntarily self-identify as designated group members.
- To help us find qualified candidates, TD continues to work with community agencies such as the Aboriginal Inclusion Network and EmployAbilities in Edmonton. We've partnered with Strategic Employment Solutions and Link-up Employment Services to facilitate the recruitment of persons with disabilities and, through Ability Edge, we recruited 10 recent graduates with disabilities into six-month internships.

**Diversity at TD<sup>1</sup>**

		2004	2003	2002
<b>Women</b>	Overall	68.11%	69.12%	70.3%
	Senior Management	23%	22%	24%
	Middle and Other Management	44.08%	44.30%	44%
<b>Visible Minorities</b>	Overall	22.71%	21.58%	20.5%
	Senior Management	3.54%	2.94%	2.2%
	Middle and Other Management	14.87%	13.13%	12%
<b>Aboriginal People</b>	Overall	1.06%	1.04%	1.0%
	Senior Management	0.39%	0%	0%
	Middle and Other Management	0.61%	0.61%	0.5%
<b>Persons with Disabilities</b>	Overall	2.0%	1.32%	1.3%
	Senior Management	1.57%	1.57%	1.64%
	Middle and Other Management	1.54%	0.76%	0.92%

<sup>1</sup> Statistics for each year as at December 31 and reflect the percentage of the work force.

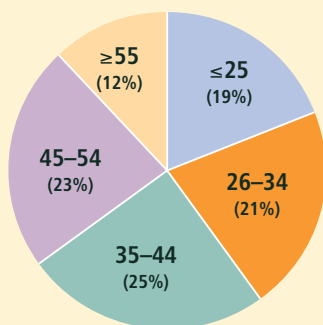
**Work Force Diversity – How TD Compares (2004 figures)**

	TD	Average % at five other major Canadian banks <sup>1</sup>	All sectors in Canada <sup>2</sup>	External labour pool <sup>3</sup>
<b>Women</b>	68.11%	71.28%	44%	57.3%
<b>Visible Minorities</b>	22.71%	19.24%	12.7%	18.4%
<b>Aboriginal People</b>	1.06%	1.38%	1.7%	1.4%
<b>Persons with Disabilities</b>	2.0%	3.16%	2.3%	3.7%

<sup>1</sup> Other bank statistics are a calculated average using data supplied by other banks.

<sup>2</sup> Source: Annual Report, Employment Equity Act, 2004. Appendix A, Table 2. Human Resources and Skills Development Canada. Note: Data are from 2003.

<sup>3</sup> Source: Statistics Canada (from 2001 Census and 2001 Participation and Activity Limitation Survey).

**Age Profile** (% of work force)**Spotlight on Diversity –  
Building an Inclusive Workplace****Where we want to be in three years:**

- Our work force will better reflect the diversity of the communities we serve at all levels of the organization.
- Barriers to employees with disabilities will be minimized in our work environment.
- TD will be recognized as an employer of choice for all groups.

Listening, communication and ongoing learning are key for Bill Logie, Vice President, and the team of equities traders at TD Newcrest, the Equity division of TD Securities. They meet each morning to discuss where the markets and particular stocks may head.



## Providing Learning & Opportunity

Internal surveys tell us that skill and career development is number one for engaging and satisfying employees. That's why we invest heavily in training and developing our people – roughly \$61 million last year and half a billion dollars over the past decade.

### Performance management

In its simplest form, performance management at TDBFG is a collaborative process between managers and employees to establish expectations/objectives and assess progress in meeting these objectives. It includes having two-way dialogue to provide clarity and regular, ongoing coaching/feedback discussions to ensure performance is on track throughout the year.

In addition to ensuring performance objectives are clear, the performance management process places emphasis on personal development by encouraging every employee to work with his or her manager to establish a Personal Development Plan annually.

### Training

In 2005, a major online initiative, the Learning Management System, was implemented as a one-stop shop to help employees identify, track and manage their learning at TD. We offer more than 300 formal training and development programs and workshops, as well as a vast range of informal opportunities, including e-learning, self-study materials, on-the-job training and management coaching. TD also encourages employees to deepen their knowledge by taking programs at universities, colleges and other institutions. Through our Tuition Assistance Program, each employee

can get a maximum of \$3,000 per year for external tuition and compulsory textbooks.

### Developing leaders

Leadership development at TD is not just about filling the executive offices. We expend great effort to cultivate leaders at every level who can motivate people to share our vision.

- We created a TD Leadership Profile of 40 key principles that leaders must consistently live up to within the company. Every year, executives receive feedback from their manager, direct reports and peers regarding their performance on the Leadership Profile.
- Several management training programs, like Managing at TD, help employees hone skills including developing others and taking responsibility.
- In 2005, we launched the TD Leadership Academy, a program developed with the Richard Ivey School of Business to help our executives strengthen their skills. TD executives will attend the three-day off-site Leadership Academy in a classroom setting of 30–40 executives each month. Ed Clark, our President and CEO, will personally visit each class.

### Career planning

Encouraging employees to stay on top of their careers, we offer résumé-building tools, interview tips, weekly online job postings and other resources. In 2005 we launched *Career Advisor*, a state-of-the-art coaching program developed with the world-renowned career expert, Dr. Barbara Moses. More than 6,500 employees have already used the program, which offers assessments and advice on career enhancement and future planning.

#### Employee Learning in 2005

# of training days reported (internal training)	109,000
Average # of days of internal training (per Canadian-based employee)	2.5 days
Amount employees received through TD's Tuition Assistance Program for external learning	\$15 million



Driven by employee feedback, François Faucher, Chief Financial Officer at TD Meloche Monnex's office in Laval, Quebec, spearheaded a successful initiative to enhance communication and collaboration within his unit.

### Career mobility

In a year, roughly 16% of our employees are promoted, which is defined as an increase in job level. This doesn't include the thousands of employees who move to new positions each year (lateral moves) to improve their breadth of experience in another part of our business. In 2005, existing employees filled 95% of all executive appointments, demonstrating our "promote from within"

philosophy is working. For any level of position at TD, our goal is to consider external candidates only when a suitable person cannot be found internally.

### Recruitment

In 2005, TD took part in more than 20 recruitment initiatives and career fairs at campuses. As a founding member of Career Edge, a national not-for-profit corporation that offers new graduates practical work experience, TD hosted 33 interns in 2005 and 220 interns since the program started in 1996. We're also involved in other internship programs, including Career Bridge (for new Canadians) and Ability Edge (for graduates with disabilities).

## Listening to Employees

Employee input and feedback at all levels tells us what we're doing right and where we need to step up our efforts.

### Employee feedback

Employees are always encouraged to share their ideas and participate in processes for making TD a better workplace.

- **TD Pulse** is our company-wide internal survey process, conducted twice a year (spring and fall). Roughly 85% of our global work force participated last year, which is above the norm for employee surveys and demonstrates tremendous buy-in. This survey goes beyond satisfaction

to measure the level of engagement of our people.

Employees give feedback about the organization, their manager, team, career and work environment. Data from the survey are collected and tabulated by an outside firm to ensure confidentiality. Twice a year, managers receive survey results and are required to develop specific action plans on issues that are important to their teams.

- The **Employee Communications and Community Relations Survey** assesses opinion on how well our leaders communicate, how well TD listens to employees and how involved employees are in the organization.
- All TD managers are encouraged to solicit feedback and suggestions and involve both full- and part-time staff in decision-making. We have a long history of assessing executives in a 360-degree feedback process and, in 2005, we began the process for managers, assessing their application of management practices by their managers, peers and direct reports. The results of these surveys are used by managers in creating personal development plans resulting in continuous improvement of our management bench.

### Voicing concerns and complaints

Welcoming employee concerns reinforces TD's commitment to providing a workplace where we respect each other and value diversity. We've created a number of channels for this purpose:

- **Employee Complaint Resolution Process:** If employees experience what they view as a serious workplace issue, they are encouraged to utilize this four-step process. It ensures that a complaint is passed up to the right people – including regional executives and ultimately if unresolved the Office of the President and CEO – and is handled quickly, objectively and without fear of reprisal.

#### TD Pulse Employee Survey

	Fall 2005	Spring 2005
Employee engagement score	4.08	4.03
Participation rate	84%	87%

Note: Scale is 1 to 5.



- **Between Us – Employee Ombuds Office:** This is a telephone-based complaint process that offers a safe place for all employees to be heard, providing confidential and neutral off-the-record assistance on work-related issues that may include performance-related matters, discrimination, harassment and interpersonal misunderstanding.
- **Financial Matters Whistleblower Program:** Employees can report concerns regarding the integrity of TD accounting, internal accounting controls or auditing matters. An independent supplier provides a confidential and anonymous communication channel, and employees are protected against termination, demotion or any other adverse consequence to their employment when reporting valid financial matter concerns.

## Employee Rights, Safety & Well-Being

### Work/life options

Employees have a wide range of personal and family needs. They may choose from a number of innovative options and resources offered by TD to support their work/life balance, including:

- **Flexible work programs:** These range from Flexjob, which lets employees share a full-time position with a colleague, to Flexhours, which allows employees to work their full number of daily and weekly hours while varying their start and end times.
- **Leaves of absence:** Employees can request from one to 12 months away from work. Compassionate Care, for instance, provides up to eight weeks' absence from work

without pay to provide care or support to a family member who is gravely ill.

- **Child-care leave:** Maternity leave, adoption leave and parental leave are three options.
- **Volunteer Policy:** Employees are given paid time off for volunteering in the community during regular working hours.

### Employee wellness

Our **Employee Assistance Program (EAP)** is a voluntary, confidential counselling and referral service accessible by all employees and their immediate family members at no cost. It is designed to help them deal with personal concerns, such as relationship issues, addiction or substance abuse, stress, grief, anxiety and depression. The program also offers extended information services: Money Matters, a consultation service with skilled financial advisers; Family Matters, which helps employees locate child and elder care resources; and Nurseline, which provides immediate access to a registered nurse. Available 24 hours a day, seven days a week, the EAP is run by an independent third-party program provider and TD receives no information on an individual's use of the service.

### Health and safety

TD has a formal policy and program addressing occupational health and safety issues. A National Policy Health and Safety Committee meets at least nine times per year to examine relevant issues and monitor data on work accidents, injuries and hazards. Each branch and office is required to have a Health and Safety Representative who works with his or her colleagues to ensure the maintenance of a safe and sound working environment, including thorough monthly inspections and the filing of reports.

Employees and managers play a valuable role in maintaining TD's excellent health and safety record. All managers and Health and Safety Representatives undergo specialized training. Human Resources' trauma training and tools ensure that traumatic situations are managed and communicated effectively and that employees receive appropriate support. We provide a Workplace Health and



Benefiting from alternative work options are Susan Aspin (left) and Lora Valoppi, who job-share the role of Manager, TD Waterhouse Marketing, as a way of better balancing work and family life.

**Workplace Accident Statistics<sup>1</sup>**

	2004	2003	2002
Minor Injuries <sup>2</sup>	214 (0.5%)	230 (0.5%)	219 (0.5%)
Disabling Injuries <sup>3</sup>	91 (0.2%)	78 (0.2%)	76 (0.18%)
Employee Days Absent Beyond Day of Injury	1,145	932	906

<sup>1</sup> Latest data available. The 2005 data will be reported to the federal government in spring 2006. Figures in parentheses indicate accident statistics as a percentage of the TD population as at the end of that year.

<sup>2</sup> Injuries that are treated in the workplace, with no time lost beyond the day of the injury.

<sup>3</sup> Injuries that result in lost time in the workplace on any day following the injury. For the three years shown, there were no disabling injuries that resulted in permanent loss or loss of use of a body part or function and no workplace fatalities.

Safety intranet site on which employees can access educational tools, our online accident reporting system, and Health and Safety Committee information such as meeting minutes. While we try our best to prevent them from occurring, occupational accidents do happen occasionally, most of which are very minor and result in no time lost beyond the day of injury (refer to the chart above).

### Human rights

Fair and equal access to all programs. Respect for freedom of association and employee rights. Ongoing human rights monitoring. TD works to ensure all of these in our unwavering commitment to respecting fundamental rights.

- We have policies, guidelines and procedures to deal with every aspect of human rights relevant to our operations.
- A central corporate group within TD advises human resources practitioners on human rights issues and training to ensure compliance across the organization.
- We carefully adhere to and in many cases exceed all applicable labour laws and standards addressing issues such as equal pay, hours of work and child labour. These include the *Employment Equity Act*, the *Canadian Human Rights Act*, employment standards legislation, privacy legislation and the *Canada Labour Code*. We support internationally proclaimed human rights, including the *Universal Declaration of Human Rights*.

- Underscoring our commitment, TD made a major donation in 2005 of \$750,000 to the Canadian Museum for Human Rights (see page 12).

When it comes to employee/management relations, we adhere to the highest standards, and our philosophy is to create positive working environments where employees don't feel the need for third-party representation. While we prefer to work directly with employees, employees have the right to decide whether they wish to be represented by a third party or not, and we respect each employee's right to choose as embodied in our Guiding Principle of "respecting each other."

TD has three bargaining units represented by trade unions (accounting for 0.61% of our employee population). TD Meloche Monnex has a long-established bargaining unit of 288 employees represented by the Teamsters at one of their Montreal locations. The Communication, Energy and Paperworkers union (CEP) was certified to represent 118 employees at our Visa Centre in Montreal, Quebec, in October 2004, and we have recently negotiated a first collective bargaining agreement. The United Steelworkers (USWA) was certified to represent 111 employees at a small group of branches in the Sudbury, Ontario, area in March 2005, and we are currently negotiating a first collective bargaining agreement.

### Doing what's right

To support our belief in doing what's right for our employees, when people are displaced as a result of job loss, staffing reductions or consolidation, they are first given the opportunity to apply for other jobs internally. Retraining is offered as appropriate, and TD has outplacement services available for all employees. With consolidations, we strive to minimize the overall impact through natural attrition and managing our hiring levels in advance. For employees who lose positions due to consolidations or staffing reductions, severance packages are offered that meet or exceed industry standards.